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## **Senate Republicans deliver results in legislation aimed at stimulating Michigan's economy**

**LANSING** – Senate Republicans today showed they remain focused on improving Michigan's economy by passing several initiatives aimed at boosting the state's high-tech sector and improve tourism throughout the state.

"Michigan should be a destination for the new firms that create the jobs of tomorrow," said Sen. Bill Hardiman, R-Kentwood. "Michigan's workers as well as our economy will see real benefits when our state has more diverse, thriving firms. Manufacturing remains important but we have to do more to promote other economic sectors."

Earlier this year lawmakers introduced legislation crucial to promoting high-tech industries in Michigan and increasing angel investing.

While Michigan has made major investments in life sciences over the past four years, the state is not truly reaping the economic benefits of that investment. A 2004 study ranked Michigan 37<sup>th</sup> in the nation in risk capital and infrastructure, just above states like Wyoming, Kansas, Iowa and Montana, whose economies rely heavily on natural resources.

The four-bill package will help Michigan start-up companies obtain early-stage venture capital. Providing the funding would help new firms expand, invest in technology and build their workforce – creating more jobs for Michigan workers.

Passed by the Senate, legislation in the High Tech package includes:

- **Senate Bill 92** creates an income-tax credit for angel investors, both individuals and groups, to encourage investing in small, tech-based Michigan firms;
- **SB 521** establishes a capital-gains tax deduction to encourage repeat angel investing – allowing investors to reinvest their gains in qualified businesses or community-based seed capital companies within one year;
- **SB 525** extends the deadline for the formation of the Michigan early stage venture investment fund; and
- **SB 298** exempts high-tech companies from fees mandated by state corporation laws, removing a disincentive for growth.

“We have to start easing job creators’ ability to set up shop here in Michigan,” Hardiman said. “During hearings on our proposals, an executive of a small Michigan technology company said venture capital firms often encourage new firms to move elsewhere.”

Senators also worked on legislation regarding northern Michigan and the tourists who travel there. The legislation is designed to stimulate the economy in northern Michigan and provide incentives to attract tourism and travel in the region.

The Northern Michigan Initiative legislation passed by the Senate includes:

- **SB 398** creates a Great Lakes Recreational Pass, a multi-state/federal agreement allowing individuals to purchase one pass to visit select parks and forest recreation areas throughout Michigan and neighboring states. The pass would emulate the “Northwest Pass” created by a partnership between Oregon, Washington and the National Park Service; and
- **SB 415** will require the Department of Natural Resources to enter into an agreement with other states to share information regarding certain snowmobile convictions.

The bills now move on to the House of Representatives for consideration, while the Senate continues to work on additional components of the New Economy Plan, including the Rural Economy and Expanding Small Business packages.

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